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NOTES ON TRADE IN COMMUNIST CHINA

By S. A. Selivankin

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NOTES ON TRADE IN COMMUNIST CHINA

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GENERAL IMPRESSIONS

During our stay in the CPR [Chinese People's Republic] we had the opportunity to acquaint ourselves with conditions of trade, public catering, and general services for the population in the various cities and regions of the country.

We visited Peking, the capital of China, a city with a population of 4.14 million; Shanghai, the largest city of the country, with a population of more than 6 million, which approximates that of Moscow; Tientsin, third largest city in China with a population of 2.5 million; Suzhou, with a population of 500,000; and the city of Changkuang, a district center, with a population of 11,000. We formed the impression that in all the places we visited, trade, public catering, and general services (with the exception of the availability of living quarters) successfully met the needs of the population.

The large number of all kinds of small trading enterprises, dining rooms and eating places, and various shops for general services attracts one's attention.

It is difficult to enumerate the whole extensive assortment of goods on sale. Everywhere there are many vegetables (up to 200 kinds), fruit, live fish, fowl, ducks, and eggs. Among manufactured goods leather footwear is particularly plentiful. For instance, in Shanghai, almost every third store specializes in the shoe trade. There is a great choice of woolen fabrics, all kinds of woolen knitted items, dyed wool in skeins, clothes and dresses, and trousers made of cotton fabrics, though these fabrics, like grain and vegetable oil, are sold in accordance with a ration system.

The assortment of silk fabrics amounts to more than 1,500 varieties; and that of cotton, up to 1,000.

The assortment of dishes in the various kitchens of the country's public catering enterprises includes more than 6,000 varieties.

One gets the impression that literally in every house there is an enterprise participating in serving the population-be it a store, shop, or lunch room.

Such an impression is confirmed also by an analysis of statistics showing how many people in a city are served by one trading enterprise, and how many people are served by one worker of such enterprise.

In Shanghai there is one such enterprise for every 45 inhabitants, and for every 15 inhabitants there is one worker from these service enterprises. In Peking one enterprise serves 82 inhabitants, and one worker serves 15 inhabitants. In Hangchou one enterprise serves 40 inhabitants; one worker, 22; in Suchou the figures are respectively 35 and 18.

In the country as a whole one enterprise serves 154, and one worker of such enterprise 85, people. (Data for the entire CPR were collected at the end of 1955. As a result of the reorganization of private trade in 1956, these figures changed slightly.)

There are comparatively few large stores in China. It is thought more expedient to build a number of smaller department instead of one large four-or five-story one: buyers need not stand in queues and over-crowd city transportation, which would have to carry the majority of shop-pers to the same place.

For the convenience of consumers, stores and general-service enterprises must be dispersed uniformly in all sections of the city.

China also has large stores. In Shanghai, for instance, the great department store covers an area of 25,000 m²; 2,000 employees serve customers. 140 people work in the bookstore, which covers 2,500 m². The "Children's World" store has an area of 3,100 m² and 280 employees. The dress store occupies an area of 2,000 m²; the Chinese medicine store an area of 1,500 m²; the store for elegant lady's apparel 1,100 m²; etc.

With their number of stores, equipment, and assortment of goods the main trading streets of Shanghai-Nanking Road and Huai-Hai Road-rival to a large extent the main business streets of Moscow and Leningrad. In the large and in many of the small stores, as well as in lunch rooms and dining rooms, large four-bladed rotating fans are installed on the ceiling. The fans create a powerful air movement, and despite an outside air temperature of 35-38° C, one does not feel the heat or stuffy air.

A large number of stores, dining rooms, and laundries occupy small rooms on the first floor of buildings, where a whole family working in such an enterprise frequently lives behind a curtain or partition.

There is no self-service in either the large or small commercial enterprises in China.

The large number of trade enterprises, public catering, and general services makes it possible to serve the population quickly and without queues. During our 2-month stay in the CPR we did not see a single queue-whether in the large stores, nor in the small stores, nor in the markets, nor in dining rooms, nor in any of the general-services shops. On the contrary, it would be correct to say that customers and visitors everywhere get prompt service. Orders are filled promptly: linen laundering takes 3 days, dry cleaning 3-6 days, making a new dress 12 days, etc.

In some cooperative shops, where prices are lower, orders are filled somewhat more quickly.

There are many shops everywhere that specialize in altering and changing old or frayed items. It takes no more than a week to have old things altered.

Altering old things for further wear is very much encouraged, since the country is conducting a regimen of economy not only in enterprises but also in the home. In connection with this movement there has been a reduction in the number of orders for making wearing apparel from new material. Thus in the fourth quarter of 1956 the great Peking department store accepted 600 individual orders for new things, whereas in the first quarter of 1957 it accepted 150 and in the second quarter only 60-70.

The most primitive form of trading-under awnings or with a hawker's tray on the sidewalks-is widespread.

Some hawkers retain a certain place on the street or in alleys, others move from one place to another. Some of them have only one yoke with which to carry their tray, others do not have even that. However, the services rendered by them are so diverse and universal, that even many of the large stores do not offer them.

A large number of hawkers are engaged in buying up old unused things, and they thus supply industry with raw materials. In Shanghai, for instance, there are as many as 10,000 such hawkers, and there are 2,000 in Peking. These hawkers walk along the streets with their yokes, attracting attention by shouting and collecting worthless copper utensils, rusted iron, torn linen, old books, broken glass, burnt-out lamps, torn rubber footgear, and other things from the people. Since these things have almost no value, the hawkers frequently exchange them for cheap goods needed in the home: matches, china dishes, toys, and others. If a useless item is worth more, or if there are many of them, the hawkers pay cash.

Chinese hawkers also engage in other types of general services. In the home there are frequent minor breakages or "accidents"-a couch comes apart, a divan is damaged, a wardrobe or trunk key is lost. It is bothersome to cart these things to a store for repairs: this is where the hawker comes in handy. A man walks along the street holding high a transparency bearing a picture of a divan. This hawker repairs couches and divans. Looking over the damaged item and determining the proper price for the restoration, he gets down to work then and there. On their yokes other hawkers carry wooden boxes to which copper plates are attached which chime when struck. These are copper masters who can repair a broken plate or match a lost key. The technical skill of such masters is extremely high.

Hawkers engaged in repairing various articles are regarded as artisan-hawkers. Among them are those who repair bicycles, fountain pens, shoes, umbrellas, galoshes, embroidery; launder linen; and dye.

In the old society hawkers were regarded as having the lower profession, and they found themselves in the situation of being semi-unemployed. For some of them the basic capital consisted of a few yuan, and if they had no trade for a lengthy period they could not maintain even the lowest living standard.

Today the majority of hawkers have joined cooperatives, cooperative shops, or cooperating groups. Thanks to the fact that cooperative organizations have set up indivisible and social funds, the activity of the members of cooperatives is guaranteed. Providing direct services for the people by hawkers is preserved and supported today as a useful inheritance from the old society.

The CPR tax policy also furthers the successful development of the hawker's trade. It is aimed at ensuring a normal amount of work

for handicraftsmen, hawkers, and other persons who display private-enterprise initiative with respect to some branch of work.

Private-cooperative trading enterprises pay the government a tax of 3.5% of total profits.

Private traders who make a profit of less than 90 yuan a month pay no tax; on profit higher than 90 yuan a month they pay 3%. Government-private enterprises pay a tax of 3.5% a month--15% on profit up to 100 yuan. If the profit exceeds that sum, the total tax increases (30% for a profit of 10,000 yuan, for example).

In the Fuyang district (pop. 236,000) there are 3,100 handicraftsmen who make various wooden and metal articles for agriculture. These handicraftsmen sell their goods to government-private or cooperative shops and pay the government no tax. A small tax is withheld only from those handicraftsmen who sell their handicraft-produced items to individuals rather than to stores.

The role hawkers play in trade is played by jinrikimen in city transportation. City transportation is at present insufficient, and streetcars and buses can be run primarily only on main lines. These means of transportation cannot run in the numerous old long, narrow side streets that are only 4-5 meters wide. Jinrikishas presently carry such a considerable part of the transportation load that without them the working life of the cities would be considerably disrupted. The majority of jinrikimen have bicycles to which, depending on the type of transportation, small carts, vans, or armchairs for passengers are attached.

Jinrikimen serve buyers in wholesale food markets. Their tricycles with small carts attached transport baskets of vegetables and other produce to every corner of the city, as well as to the numerous shops and eating places.

The population, establishments, and enterprises conveniently use this mode of transportation. Early in the morning, jinrikishas pick children up, carry them to kindergartens, and in the evening convey them back. For this purpose a small wooden van with windows is mounted on a tricycle; it can accommodate 8-10 little ones. At hospitals, railroad stations, theatres, and many other places there are stations for jinrikishas which serve as taxis. Idly riding about in jinrikishas is seldom encountered.

In capitalist China, jinrikimen were not regarded as human beings and their working conditions were very different; many did not ride bicycles but, harnessed to the carriage, transported passengers on foot. Today jinrikimen are respected citizens working for their country. The name "jinrikiman" is used very little now, having been replaced by "pedicab"-bicyclist.

We were particularly impressed by the neatness everywhere and of everyone. The clothes of grownups and children, made mostly of cotton fabrics, were always exceptionally clean and well pressed. Cleanliness is apparent on the streets, in shops, eating houses, and lunchrooms. Refuse containers are as a rule covered.

As a result of conducting extensive educational work among the population in the struggle against rodents, flies, and sparrows, all of these pests have been in the main exterminated. Only on the 17th day of our stay in Peking did we see three flies while visiting a wholesale country market. As soon as the flies were noticed, doors and windows were immediately closed and the flies exterminated with a special fly-killer. In many establishments and enterprises, and even in public lavatories, such fly-killers are hung up or are conveniently placed, so that everyone who sees a fly can immediately kill it.

Many measures are taken in the country to maintain cleanliness and create hygienic living conditions.

In Shanghai a special factory has been built which daily converts 3,500 tons of city refuse into fertilizer.

On the strength of promulgated decisions, all hairdressers in Peking and some other cities must work in gauze masks covering mouth and nose to avoid close contact with customers and prevent the possible spreading of infection.

In some dining rooms waiters wear the same type of mask. One can also see inhabitants wearing gauze masks in the streets so as to protect themselves from dust, cold air, and possible infection.

REORGANIZATION OF PRIVATE TRADE

The reorganization of private industrial and trading enterprises was in the main completed in 1956. Private industrial enterprises were converted into mixed government-private enterprises, and private trading enterprises were reorganized into mixed government-private shops, cooperative shops, or cooperating groups.

What are the peculiarities of these three basic forms of reorganized private trade?

According to the formation of mixed government-private trading enterprises, the former owner gets yearly payments up to the year 1962- of 5% of the capital invested by him. After these payments stop, the enterprises become the property of the government, i.e. they become nationalized. In the government budget these payments of 5% of a stipulated sum constitute a little more than 0.3% of the revenue side of the country's budget.

Two directors manage such enterprises: one from the government sector, the other from the private. The former owner usually functions as commercial director, but he can also work as deputy director or carry out some other function.

A related practice also occurs in government-private industrial enterprises, which also have two directors, the director from the private sector usually carrying out the duties of chief engineer.

The payment of 5% of the capital to the former owner is made regardless of the shop's degree of profitability. Besides, for his work the former owner receives a wage no lower than that received before the reorganization.

Cooperative shops unite several small traders, there being collective responsibility for profit or loss, which they divide or absorb between themselves. Here private ownership of the entire capital is retained. The proprietors of the shop receive no additional pay, and they carry out jointly the purchasing and selling of goods.

Cooperating groups consolidate private traders who carry out jointly the purchasing of goods but sell them individually. Each member of such a group bears personal responsibility for loss or profit.

These cooperative shops and cooperating groups function under the control of government organs; their goods supply is provided through government wholesale enterprises. The main aim is to make small private traders toilers for the government.

At the Second Conference of the All-China Trade-Industrial Association, comrade Po I-po, deputy premier of the CPR Government Council, said: "...the number of Chinese bourgeois, including the intelligentsia from its ranks and family members, consists of 8 million people. These people, who have a comparatively broad general education and technical knowledge, are therefore of value to the government. The payment of a fixed percentage is to be continued over a period of 7 years, in

order to give industrialists and traders sufficient time in which to work and learn quietly, to quietly continue to become aware of socialist requirements, to make their contribution to the economic development of the country."

Comrade Mao Tse-tung, talking with participants at the Second Conference, stated that if at the expiration of 7 years, i.e., 1962, some industrialists and traders still experience material difficulties, this payment may be extended for them.

It was proposed to call middle and small industrialists who had also partaken in labor before, not capitalists, but petty bourgeois. Such a renaming should exert a salutary influence on the further ideological re-education of this group of industrialists and traders, as well as on their labor zeal.

At present the Second Ministry of Trade is studying the question of correct means for reorganizing private home ownership.

THE ORGANIZATION OF TRADE, PUBLIC CATERING, AND GENERAL SERVICES FOR THE POPULATION

The Chinese People's Republic is divided into 25 provinces and has three cities with central subordination: Peking, Shanghai, and Tientsin. 2,400 districts make up the provinces, the districts are made up of small rural districts, and the rural districts of villages.

Five organizations deal with problems of internal trade in China: the First and the Second Ministry of Trade; and the ministries of food, water economy, and consumer cooperatives.

The First Ministry of Trade controls trade in industrial goods and the supply of raw materials for local cottage industry. It also deals with wholesale trade in cities and villages, and with retail trade in cities only.

The Second Ministry of Trade controls state purchases of agricultural products (except grains), and wholesale and retail trade in food-stuffs in the cities. This same Ministry deals with problems of public catering and with general-services enterprises (hotels, baths, hair-dressers, etc.).

The Ministry of Food controls state purchases; the supply and processing of grain, oil, raw materials, and butter; and also the wholesale and retail selling of these products.

The Ministry of Water Economy controls the production of and wholesale trade in fish and water products.

The Central Union (consumer cooperative) primarily engages in retail trade in the villages and the state purchase of basic agricultural products.

At the present time, the consumer cooperative belongs organizationally to the Second Ministry of Trade. In this connection, the Central Union apparatus is fused with the apparatus of the Ministry. This type of merging occurs in the middle echelons in the provinces and districts.

Only the primary supply-and-sales cooperatives remain independent organizations, but they have limited functions. They may engage in trade only in goods for industrial use; they also purchase agricultural raw materials.

At the same time, on the initiative of the localities, a process of the fusion of supply-and-sales cooperatives with agricultural production cooperatives is taking place in a number of provinces. The stores of the supply-and-sale cooperatives pass over to agricultural cooperatives in the form of trading sections of the latter, and administration by share-holding members is abolished.

Besides the mentioned departments, the Ministry of Forestry is concerned with trade in wood products; the Ministry of Light Industry, with the wholesale salt trade; the Ministry of Health with trade in Chinese medicines (European medicines come under the First Ministry of

Trade; and the Ministry of Foreign Trade with the silk trade.

The First Ministry of Trade is headed by the minister and his five deputies. It has 12 functional departments and sections (planning, finance, prices, and others which correspond more or less with ours), and 10 main branch departments: general goods, textile goods, cultural items, knitted wear, drugs, metals and mechanical equipment, chemicals, electrical and communication equipment, coal and building materials, and oil.

A research institute for trade economy and a central school for trade cadres are a part of the Ministry.

The shoe trade is controlled by the Main Administration of General Goods, and the clothing trade comes under the Main Administration of Knitted Wear. Internal government and foreign trade in jewelry articles is conducted in the main by the State Bank, and in part by the Ministry of Foreign Trade.

The staff of the central apparatus of the Ministry of Trade and the main administrations consists of 1,597 people. For 1956, operational expenses for the Ministry of Trade amounted to 9.4%, and in 1957 to 10.65% (including salaries-2.13%).

While previously the local trading organizations were subordinated both to the trade administrations under the local organs of power and to the general government branch administrations, now the lower trading organizations are subordinate only to the local trading sections.

At the present time, the main administrations exercise control over provincial sections with respect to questions of the distribution of goods and the determination of planning indices. All the regular problems are resolved locally.

The main administrations have 37 bases of the first category and 248 bases of the second category. The administrations directly control bases of the first category only; bases of the second category are controlled by the trade departments in the provinces.

Bases of the first category organize the receiving of goods from industry and supply bases of the second category with these goods.

Throughout the whole country the Ministry of Trade has 38,073 warehouses with more than 745,000 workers. The entire trade network of the country, including public catering enterprises, consists of 4,150,458 trading establishments in which 7,802,000 people work (data for the end of 1955).

In all the cities and villages of the country there are 704,687 public catering enterprises; the total number of workers in these enterprises is 1,083,000. In the economic sector this is the approximate breakdown: government public catering enterprises, 7.8%; private-government type, 19.3%; cooperative dining rooms which represent collective property, and cooperating groups not financed by the state, 44.2%; not yet reorganized private small traders and peddlers, 28.7%.

The Second Ministry of Trade was organized as recently as December 1956 (up to February 1958 it was called the Ministry of Municipal

Services). Up to that time trade in food products and public catering was under the jurisdiction of the First Ministry of Trade, but in view of the large volume of work the guidance of these aspects of service for the population was insufficient. Problems of increasing public catering and trade in food products were rarely and not concretely considered. There arose the necessity to organize the new ministry of municipal services, which was later renamed the Second Ministry of Trade.

This Ministry deals with trade in meat, poultry, eggs, fruit, vegetables, soybean products, game, fish, sugar and confectionary products, wines, tobacco products, and others. The Ministry also deals with problems of public catering and city services-hotels, hairdressers, baths, laundries, dry cleaning, and others, as well as with private housing.

The Ministry has the following functional administrations: for trade in vegetables, tobacco and wines (a monopoly), sugar and confectionery products, meat, poultry and eggs, fruit; public catering; and the maintenance of private houses and offices. The Ministry has a staff of 1,500. Operational costs constitute 12.49%, including 3.29% for wages.

Wholesale trade is conducted by specialized and mixed bases with local subordination. Meat combines and factories for making powdered eggs come under the control of the Ministry of Foreign Trade, since these products are used not only for internal consumption but also for export.

PROVIDING COMMODITIES FOR THE POPULATION

The purchasing power of the Chinese people is systematically increasing. In 1956 it was 46.5 billion yuan, having increased by 6.3 billion yuan compared with 1955 (1 yuan is equivalent to 2 rubles). In 1957 the purchasing power of the population amounted to 47.32 billion yuan, or 0.82 billion yuan more than in 1956.

According to the Ministry of Trade, the gap between the population's purchasing power and the commodity stocks provided amounts to 700 million yuan, which, with respect to the general plan for commodity circulation of 47.3 billion yuan in 1957, constitutes less than 2%. The gap is small, but it arises at the expense of some basic goods. This, of course, creates definite difficulties.

In 1956, for example, 50 million tons of coal were produced, but in 1957 it was proposed to see only 48 million tons. Coal is a basic fuel. In 1956, 12 million tons of coal more were mined than in 1955, at the expense of a reduction in commodity reserves; and in 1957 the gap created in commodity reserves was made up at the expense of a reduction in sales to the population. The situation with respect to coal is tense.

Cotton fabrics also belong to the commodities in short supply, and their sale is rationed.

The strained situation with respect to cotton fabrics results from the fact that the 1956 cotton harvest was poor, in 1957 the production of cotton yarn being fixed at only 44,500,000 mestos (1 mesto = 200 kg.), or 8,900,000 tons. In 1955 the cotton harvest was greater; therefore 52,000,000 mestos—or 10,400,000 tons—were produced in 1956.

The realization of a somewhat larger total of cotton fabrics in 1956 came at the expense of a reduction in remnants, which also created definite difficulties in 1957.

In 1957 the average norm for the distribution of cotton fabrics per person per year was 6.7 meters, but because coupons were issued in the period from May to August, the norm was reduced by 50% compared with that originally contemplated.

In comparison with 1956, the total of cotton fabrics sold in 1957 was 23 million kuski (1 kusok=33' meters) less, or roughly 700 million yuan in monetary terms. The difficulties with respect to cotton fabrics cannot easily be settled in a short time, since there are not enough chemical fertilizers to increase the harvest and there is no available arable land. The difficulties concerning fabrics are nevertheless lesser than those with respect to coal. The cotton shortage also affects the manufacture of knitted wear.

During the years of the First Five-Year Plan (1953-1957), China's industrial production grew by 132.5%. There were increases in steel smelting, coal extraction, and the production of electric power. How-

ever, the country still experiences shortages in a whole series of goods: there is not enough sheet metal, sheet iron, chemical raw materials from which dyes of a high quality are made, sewing machines, aluminum, enamelled and other plates, and wrapping paper.

However, the country's industry has every possibility to supply the population with the necessary commodities, and produce newer and newer types of consumer goods and foodstuffs.

In 1956 alone more than 2,000 different new types of goods were experimentally produced in industry, and at the present time their production has already been completely mastered.

Among the new commodities are silks with printed patterns, colored cotton prints, wool-mixture fabrics, and knitted wear and articles (more than 600 colors). The production of nylon has been mastered.

Among the novelties are matches which are not put out by wind, of use to sailors and prospectors. They burn for 7-10 seconds in any wind (up to a wind force of 9) and are not affected by water. Also: children's toothpaste in small tubes with an increased calcium content, which promotes the strengthening and growth of children's teeth; new kinds of peppermint, lemon preserves, and cream toffees for children, prepared according to a special recipe thanks to which these sweets do not destroy the teeth; children's soap with a very small alkali content, not irritating to the skin; canned goods in which the products keep their natural flavor; and many others.

The total number of workers and employees in the CPR at the end of 1956 constituted 24.73 million, i.e., 4 times more than in 1949, up to the liberation of the country. There are 6 times more women employed.

In 1957 the average monthly wage of workers and employees was 53 yuan a month for the whole country; the average wage of workers in trade was 49.5 yuan per month.

The wage of a salesperson in a Shanghai department store ranges from 43 to 85 yuan.

One can get an idea of the populations purchasing power from the prices of some commodities and products in stores and in markets, as quoted below:

1 kg. rice costs 27 feng (there are 100 feng in one yuan); 1 kg. flour -- 34-42 feng; 1 kg potatoes -- 12-20 feng; 1 kg. apples -- 1.2 yuan; 1 kg. cabbage -- 20 feng; 1 kg. bean oil, used extensively by the population -- 1.2 yuan; 1 kg. pork -- 1.4 yuan; 1 kg. chicken -- 1.7 yuan; 1 kg. fresh fish -- 90 feng; 10 chicken eggs -- 90 feng; 1 meter woolen fabric -- 25-30 yuan; 1 meter silk fabric -- 3-4 yuan; 1 meter cotton fabric -- 0.9 yuan; a finished wool dress -- 120 yuan; a knitted woolen woman's jacket -- 18-28 yuan; a gabardine overcoat -- 100 yuan; a pair of leather shoes -- 16-22 yuan.

Two meals (dinner and supper) in enterprises cost approximately 13 yuan a month. A portion of boiled rice (large bowl) costs 5 feng; In city dining rooms a bowl of strong meat bouillon with meat dumplings and pancakes costs 13 feng, and a dinner in a first-class restaurant costs 1.7-2 yuan.

THE WORK OF TRADING ENTERPRISES

In order to serve the population better and sell more goods, stores work as a rule without closing for rest days and lunch hours. Sales personnel have lunch hours and rest days in rotation.

Tidying up in the Peking department store, for instance, is done from 6:30 a.m. until opening time, after work, as well as every 3 hours during the course of the working day. The salespeople work in two shifts of 8 hours. The working hours of department stores are not the same during the work week: from Monday through Friday from 8:30 a.m. to 10 p.m.; Saturday from 8:30 a.m. to 10:30 p.m., and Sunday from 8 a.m. to 10 p.m.

The Shanghai department store is open from 8:30 a.m. to 8:30 p.m. The work of the sales personnel is divided into three shifts--two first and one second. One of the first shifts works from 8:30 a.m. to 3:30 p.m., and the second of the first shifts from 8:30 a.m. to 12 m. and from 1:30 p.m. to 6 p.m. The second shift works from 12:30 p.m. to 8:30 p.m.

Salespeople work 7 hours, the eighth hour being allotted to daily political and economic studies, or used for raising the general level of knowledge and culture. All meetings, lectures, and discussions are held during working hours.

Salespeople take in the money as a rule not only in department stores, but in almost all shops, including those dealing in food. This is done for the customers' convenience and for speed of service.

Various ways of taking in money are used: the salesman receives the money and does not make out a receipt; the salesman writes out a receipt in two copies, one of which he gives to the customer, keeping the other; the salesman transmit the money via a receptacle suspended from a wire above him; goods are sold with the use of control cards or control lists. The last three methods are of obvious interest.

Contact with the cashier's office takes place in this manner: the salesperson, having received the money from the buyer and having written out a receipt in three copies, puts the money together with the receipts into a receptacle suspended overhead on a taut wire which runs to the cashier's office. Giving the receptacle a push, it is sent with the money along the wire to the cashier. The cashier, counting out the change, if necessary, indicating on the receipt that the money has been paid, and keeping one copy of the receipt, returns two copies and the change in the same manner to the salesperson. The salesperson gives the buyer his change, the second copy of the receipt, and the purchased article, retaining the third copy of the receipt. This is a good method, because it does not require the buyer to go from the salesperson to the cashier and back again.

Sales without the use of receipts in accordance with the control-card system were introduced not long ago in the Hangchou department

store in the departments of shoes and linen-goods for which there is mass demand. Both the salespeople and the cashier in the shoe department have boxes with spaces in which are kept white cards for the salespeople and red ones for the cashier. Each card measures 2 x 8 cm. An ordinal number on the card indicates the shoe size, make, and price. All the cards must correspond to the entire assortment of shoes on sale (for instance, galoshes and rain boots go from No. 1 to No. 174, and cloth shoes from No. 1 to No. 205). The ordinal number on the card also corresponds to the shelf on which a given type of shoe is kept.

The buyer gives his money to the salesman; the latter gets a white control card from the box, the number of which card corresponds to the ordinal number of the shoes sold. Together with the money, he inserts the card in a receptacle and sends it along a wire to the cashier. The cashier, having received the money, keeps the white control card and sends a similar red control card and the change via the wire back to the salesman. The salesman gives the shoes and change to the buyer. For the salesman the red control card serves as confirmation that the cashier has received the money, and on the basis of the white cards the cashier draws up an account of the shoes sold and money received during the day.

Sales using a control list were recently introduced and are now being used in the cotton-fabrics department of the same Hangchou department store.

All cotton fabrics are divided into six groups: group 1 consists of colored fabrics of a summer assortment; group 2 consists of also summer goods but thinner than those of group 1; group 6 consists of winter goods; etc.

On a stiff cardboard list with a group-number designation the daily registration-account card is attached. It has the following columns: amount, total, signature of salesman, signature of cashier, remarks.

In making a sale, the salesman makes corresponding entries on the card and passes it on to the cashier together with the purchase. The cashier, having received the buyer's money, notes this on the card, hands over the purchase, and sends the card back to the salesman. At the end of the day the cashier takes the cards off the cardboard lists and totals them. This method, I think, resembles the accounting system our hair-dressers use.

The last two systems of receiving money are convenient because they make it unnecessary to write out a great number of tickets. This makes for considerable savings in paper.

The department stores also have a small number of cashier desks which receive money directly from the customer, tickets being made out. This is used mainly in the case of expensive items. At these cashier desks, the purchases of establishments and enterprises made on written order are registered.

The periodic system of remuneration for the work done by salespeople is used in department stores, shops handling manufactured goods and food, general services, and public catering enterprises. Under this system the sales personnel do not strive to accumulate a great amount of tickets, since their earnings do not depend on this. Thus the number of salespeople is also considerably larger than is the case with us, and there are no queues. Customers do not have to wait for salespeople; rather the sales personnel serve the customers at once.

The following system of periodic remuneration for the work done by sales personnel is in use in the Shanghai department store. According to their qualifications, all the salespeople are divided into three categories: first, second, and third. The first category is considered to be the highest. These salespeople must be well acquainted with goods of a complicated nature, such as watches, for instance. Salespeople in the second category have much lower qualifications and are used primarily for selling fabrics. Salespeople in the third category work with the most simple assortments of goods. Each category is further divided into five grades.

Earnings differ, depending on the category and grade to which a salesperson is assigned:

<u>First Category</u>	<u>Second Category</u>	<u>Third Category</u>
1st grade - 85 yuan	1st grade - 80 yuan	1st grade - 75 yuan
2nd " - 74 yuan	2nd " - 70 yuan	2nd " - 66 yuan
3rd " - 64 yuan	3rd " - 61 yuan	3rd " - 58 yuan
4th " - 56 yuan	4th " - 53 yuan	4th " - 50 yuan
5th " - 58 yuan	5th " - 46 yuan	5th " - 43 yuan

The salespersonnel get some incentive in the form of premiums after the quarterly balancing of the sections' work total, and as a result of socialist competition.

The best workers can be assigned to a higher grade or category.

The workers in all commercial enterprises have the right to free medical treatment; half the cost of medical treatment for family members is paid at the expense of the store.

In China's commercial enterprises the sales personnel have no personal material responsibility. If a shortage in money or goods is discovered, the store writes it off as a loss. But there are almost no cases of shortages either in shops or in enterprises.

For instance, in the Peking department store, which employs 1,017 salespeople, the total of all shortages in the first quarter of 1957 was 2,328 yuan, which was 0.0013 % of the total commodity turnover.

In connection with the absence of personal material responsibility a department store has a small accounting staff.

When a section receives goods from the warehouse, the sales personnel receiving them do not give the storageman a receipt. The storage-

man himself makes an entry in his card file to the effect that such and such a section has been supplied with a certain quantity of goods, and the salesperson who received the goods makes a corresponding entry in the card file of the section.

In the Shanghai department store, with a commodity circulation in 1956 of 55 million yuan, shortages came to 20,000 yuan or 0.04% of the total turnover.

In the shop selling elegant ladies' apparel, which employs 190 salespeople and where the monthly commodity turnover is from 300,000 to 600,000 yuan, monthly shortages range from 17 to 25 yuan.

With such insignificant total shortages, penalties are almost never inflicted on sales personnel, but measures of an educational character are taken, the most serious of which is a critical discussion at meetings.

The political awareness of the Chinese people is so great that cases of misappropriation in trade are almost impossible.

The great honesty of all the Chinese people, including that of workers in trade, public catering, and general services, should be particularly noted.

In China's trade not only personal material responsibility is absent, but also any kind of control-type inspections.

False weight, cheating, false measure, or the cheating of customers in weighing is virtually absent, despite the fact that highly imperfect scales of the springweight type are used in trade. Since unintentional errors by either salespeople or buyers are possible, the point about reducing these errors is usually included in the stipulations for socialist competition; as a result of the work conducted, such errors are examined and criticized. If some of the salespeople are suspected of having committed deliberate errors, the meetings discuss how the person lives, whether he is living within his means. His conduct is also criticized. Nowhere did we hear of cases of dismissal for embezzlement, misappropriation, or shortages, except in one instance-- an embezzling cashier of the Peking department store, an event which occurred in 1956. Administrative penalties for other offenses are rarely applied; the struggle with similar shortcomings is being conducted primarily along the lines of educational work.

All salespeople and waiters wear numbered badges on their chests. This is done so that a customer can note down his complaints or remarks without having to ask for the salesperson's name. The customer need only note the salesperson's number.

No one gives or takes tips in China. Extensive educational work has been conducted among the population, and today it is considered that both those who give and those who take tips are doing a disgraceful thing. If by chance extra money is received from a customer in a restaurant or other place, an attempt is made at once to return it. One day in a restaurant, the waitress approached us at dinner. Apologizing, she returned some money, explaining that she had made an error while making out our breakfast check.

The honesty of the people attracts attention also with respect to many other things.

The bicycle is a mass means of transportation in China: there are 500,000 bicycle riders in Peking, which means that there is one bicycle for every eight people.

People leave their bicycles by the dozens in the street, in the entrances or doorways of houses and enterprises, without being afraid that someone might steal them.

In food and vegetable bazaars unsold vegetables and other produce are frequently left in salesrooms, without any transfer of documents.

One frequently sees vegetables, which had been put out the night before, in the street near a house.

There are in China no inspections of assaying control as regards the stamping of gold or silver articles. The stamping is done by the factories, and there is no outside control over them. The possibility exists that in such a situation some dishonest worker may put a stamp of a much higher standard than he is supposed to on an article, thus being able to appropriate the difference in the weight of gold or silver for himself. It was made clear to us, however, that such cases are impossible, since the high consciousness of the workers in the factory does not permit them to act dishonestly.

In hotels there is no need to lock one's door or suitcase for fear of theft.

There are many wall newspapers and various announcements in plants, factories, and institutions are written in chalk on slates resembling those used in schools, with the aim of saving paper. Various advice addressed to the population, primarily concerning the use of medicines, the correct use of wages, and other topics, is written on these slates. These wall newspapers and announcements stay up as long as is necessary. None of them are ever torn down or destroyed. In many enterprises and institutions there are also slates on which any worker can himself write about any mistakes or misdemeanors committed by him, so that his comrades can be made aware of it.

All this testifies to the high level of educational work among the population.

WHOLESALE TRADE ORGANIZATIONS

Wholesale Bases and Stores

Wholesale trade in manufactured goods is carried on through several wholesale links: bases of the first and second category, district companies, and wholesale stores.

Bases of the first category (there are 37) are under the jurisdiction of the 10 main administrations of the First Ministry of Trade. They are composed of: three bases for general goods, including shoes; four bases for textile goods; three bases for cultural goods; three bases for knitted wear, including ready-made clothes; seven bases for medicines; four bases for electrical equipment and communications materials; and five bases for petroleum products.

There are four bases of the first category in Peking: for trade in knitted goods, cotton fabrics, medicines, and general goods. Wholesale trade in silk is conducted by the Ministry of Foreign Trade, since a considerable part of the silk goes into the export trade.

Bases of the first category do not have their own warehouse locations, and deal only with organizing the receipt of goods from industry and the supplying of these goods to bases of the second category in their system. About 2,866 people work in three such bases of the Main Administration of General Goods.

Bases of the second category are managed by the provincial trade departments.

These bases have warehouse locations which in a number of cases occupy up to 5,000 m².

Bases of the second category receive goods through bases of the first category in their own or in other systems, and buy goods from local industries. If the industry is territorially remote, they buy through a base of the second category which is close to an industrial enterprise. Bases of the second category supply goods to their own system, to warehouses of district companies, and to a part of the wholesale stores.

There are 248 bases of the second category. About 15,650 people work at the 190 bases which belong to the Main Administration of General Goods. There are 20 bases of the second category in Peking.

The base of the second category for general goods in Hangzhou has a warehouse area of 7,600 m² and office space of 450 m². About 240 people work at the base, among them 40 administrative-management workers. The base engages in the wholesale buying and selling of general services items, cultural goods, and shoes. The yearly commodity turnover plan is for 33 million yuan, and for a clear profit of around 2.2%. The base has 10 contracts with bases of the first category, and more than 100 contracts with industrial enterprises for the buying of goods; for selling goods it has concluded 36 contracts, including four

with city trading enterprises, and 32 with district companies. Contracts are made for a 3-month period. For a month prior to the conclusion of the contracts the base distributes specific proposals to the organizations. The sale of transit goods is composed of 60% of goods of local manufacture, and 50% of others.

District companies have warehouses and buy goods from bases of the second category; they allot 70% of the goods received to the wholesale stores, and 30% to the retail stores, of their companies.

The lowest link in wholesale trading are the wholesale stores, of which the Main Administration of General Goods alone has 5,972 in the country.

No contracts are concluded between wholesale stores and district companies.

Wholesale stores receive goods from bases of the second category or from warehouses of district companies, and sell them to wholesale government, private-government, cooperative, and private trading enterprises; retail stores in their system receive goods directly from bases of the second category, and not through wholesale stores.

Wholesale stores provide raw materials for the local and home industry (construction materials, furs, yarns, and others). In Peking, for example, these stores provide raw materials for up to 50,000 handicraftsmen.

The large number of wholesale stores ensures the necessary assortment of goods in retail stores.

There are 244 wholesale stores in Peking, 39 in Hangzhou, and in the whole country the number approaches 6,000.

In Hangzhou, the wholesale stores of confectionery, wine, and tobacco products; food products; and products of the fishing industry buy goods directly at the storage locations. Other wholesale stores are primarily supplied through three bases of the second category which are located in that city--the base for universal general services, for knitted wear, and for textiles. Some of the goods (petroleum products, coal, construction materials, and others) are bought by the wholesale stores through bases of the first category in Shanghai.

The wholesale department store of general services occupies two locations in Hangzhou: a store with an area of 700 m^2 , and a warehouse with an area of $1,000\text{ m}^2$. Stores with a much more narrowly defined specialization occupy half or a third as much space. About 113 people work in the store, among them 25 storemen, eight workers of the administrative-management apparatus, and 80 salespeople. There is no special protection, but a responsible duty officer is appointed by turns from among the workers. In outward appearance this wholesale store, I think, is little different from a retail store. It is equipped with glass-case counters for the display of goods, and with wall shelves. Sales are made to individuals who can show proof that they are representatives of wholesale trading enterprises.

The stock of goods in this store is valued at 2,600,000 yuan.

The monthly commodity turnover amounts to 700,000 yuan. The store gives a 15-20% trade discount.

There are also much larger wholesale stores. Thus, for instance, there is a store in Mukden which supplies general goods to the city retail network and, in addition, to the retail network of three neighboring districts. This store has up to 13,000 types of goods. The yearly commodity turnover amounts to 54.5 million yuan, the area of the storage buildings to 8,800 m², and it has a staff of 570.

This wholesale store supplies 460 retail stores with general goods. All these retail enterprises use cost accounting, and after the receipt of goods they pay the wholesale store with a check or cash. They sign no contracts with the wholesale store.

In the course of one day up to 40 buyers come to this store. The store has a few rooms which contain samples of the goods on sale; the area of these rooms is around 1,000 m². The samples are displayed in good glass cases with illumination.

About 64 home-production artels, three government-capitalist factories, and 4 government factories supply the store with goods.

The wholesale store has contracts for the supply of goods with all these organizations. The wholesale store puts an average 6% mark-up on goods. Operational expenses for 1957 amounted to 5.4% of the turnover.

The wholesale store has been given the right to supply yarn, furs, and fabrics for the manufacture of goods for which there is a demand.

Trading Organizations and Industry

The relations between wholesale trading organizations and industry occur on three basic levels:

1) centralized buying according to the government supply plan with respect to the most important commodities--matches, enamelled and aluminum utensils, soap, rubber footwear, thermos bottles, cotton fabrics, grain, vegetable oil, and some others;

2) contract orders for goods not of primary importance, but needed in large numbers by the population--perfumes, metal articles for the household, leather footwear, and others;

3) buying without a contract.

Presently they are thinking about abolishing the system of centralized buying, since the quality of goods deteriorates and their selection gets poorer when an industry is sure of selling its goods. For instance, in the fourth quarter of 1955, there were not enough women's bicycles for sale, yet industry put more men's bicycles on the market. Though in effect the raw materials for any type of bicycle are identical, a man's bicycle costs more than a woman's. Therefore it was more advantageous for a plant to put men's bicycles on the market.

Roughly the same situation exists with regard to rubber footwear.

The government plan for the production of rubber footwear provides only quantitative indices; industry gives little thought to creating more styles and to improving the quality of footwear, since the trading bases are obliged to take the entire available output.

If the manufacture of individual types of goods is unprofitable for the industrial enterprise, an increase in the output of these goods can be encouraged through subsidies. These are passed on to the wholesale base of the first category of this enterprise as an overhead of temporary losses. The base provides the subsidy at the expense of its profits.

A further reorganization of the relations between industry and trade will be accomplished on the basis of the selective buying of goods from industry, i.e., the trading enterprises being free to choose. A decisive role in this is already being played by the distribution of commodity funds between trading organizations, and by the establishment of direct relations between the producing and commodity-selling systems.

The distribution of goods to the trading network can be observed in the example of the work of the Main Administration for General Goods.

The Main Administration for General Goods buys from industry the entire output of 13 basic manufactured goods: matches, rubber footwear, enamelled basins and mugs, flashlights and the batteries for them, industrial and toilet soaps, toothpaste, thermos bottles with bamboo or metal covers, sewing machines, aluminum pans. The Administration acquires from industry only 60% of the volume of the remaining goods produced. Industry sells 40% to other trading organizations, among these also private stores.

The 13 types of manufactured goods listed above are distributed among bases and provinces by the Main Administration according to fixed percentages. The remainder of the goods are taken directly by bases of the first and second category, and the Main Administration draws up only a plan for over-all amounts.

After approval of the yearly commodity-turnover plan by the Ministry of Trade, the Main Administration for General Goods convenes meetings of chiefs of provincial departments and bases of the first category twice a year, in February and June. At these meetings the goods are allotted for a half-year period.

A meeting of chiefs of bases of the first and second category, together with representatives of industry, is convened quarterly in Shanghai. At these meetings the people from the bases consider samples of goods and sign contracts with industry.

After the meetings in Shanghai, the directors of bases of the second category also convene meetings of directors of district companies once each quarter for the signing of contracts.

A provincial department or a district company can require more or fewer goods, according to its needs. In the latter case, if this has bearing on the 13 mentioned varieties of goods, the permission of a higher company is necessary. For the remaining goods an increase in

stocks is accomplished on the basis of contracts between bases of the first and second category.

Accounting for goods sold is done through a bank by means of invoices.

If it is discovered, after the signing of a contract, that the trading organization does not need such a quantity of goods, the contract can be changed so that there is a reduction of supplies. In such a case the trading organization pays a fine to the extent of 1% of the total cost of that part of the goods the supply of which has been reduced.

Trade in Wholesale Markets

The well thought-out system of wholesale trade in vegetables and fruit, which ensures the timely supply of these products for the population, deserves to be specially noted.

In Shanghai there are 36 wholesale markets for the vegetable trade. At the wholesale market hawkers buy vegetables to sell to the population. Kolkhozniks sell vegetables both through wholesale markets and in retail bazaars.

China's largest wholesale market is located in Shanghai; it is situated on Tsufu Road. The market occupies an area of 180,000 m²; the goods are kept in sheds. About 618 people work in the market. From 350 to 1,400 tons of vegetables in different assortments (more than 100 varieties) are sold daily.

The market works in two shifts: the first shift works from 3:30 to 7:00 a.m. This is the most active time for trading. The second shift works from 1:00 to 6:00 p.m. During the summer, 70% of the total amount of vegetables is sold by the first shift, and 30% by the second; in winter it is the other way around.

Vegetables are bought by hawkers, establishments, and enterprises. The market supplies from 2,000 to 4,000 hawkers, who buy 40-50% of all the vegetables sold daily. The hawkers, for their part, sell these vegetables at retail markets or on the streets of the city. Since the wholesale market starts to trade at 3:30 a.m., the population can purchase fresh vegetables very early in the morning.

Shanghai is surrounded by 15 agricultural regions. This market buys vegetables primarily from seven regions, and it buys 80% of all the vegetables from the agricultural cooperatives. Half of all the vegetables come from regions within a radius of 10-12 km., 30% from regions within a radius of 30-40 km, and 5-10% of the vegetables are supplied by more remote places (200-400 km). Vegetables from agricultural cooperatives are accepted for sale on a commission basis with a levy of 4% of the cost of the goods sold.

For basic vegetables (potatoes, cabbage, tomatoes), prices are 30-40% lower than in stores, and vegetables of the second category (onions, peppers, cucumbers, beans, and others) are half as expensive.

The price level is agreed upon by representatives of the market administration, the peasants, and the hawkers. When vegetables are plentiful their price is lowered, since it is difficult to keep them and they will spoil. As a rule, vegetables are sufficient, and a surplus of them is sent to other cities--Peking, Tientsin, and others. Vegetables seldom spoil, but if this happens the loss is written off at the expense of the market. There is no individual material responsibility.

Purchased vegetables are delivered, if the buyer so desires, by the market's own transportation means--on three-wheeled bicycles or through a transportation company.

Peking has a number of wholesale vegetable and fruit markets which trade in 270 varieties of vegetables and fruit. The approximate volume of daily sales at one such market is 150 tons, and at the height of the vegetable season--in June--it is as much as 500 tons. The buying and trading on the wholesale market is conducted both by government and cooperative stores.

Vegetables and fruit are bought from peasants on orders of the City Administration of Trade, which determines where one can buy vegetables, how much, and at what price. The peasants themselves deliver the purchased vegetables and fruit to the market, where they are kept under large sheds.

In Peking the peasants do not have the right to sell vegetables directly on the markets, but only through wholesale organizations. Kolkhozniks can carry on retail trade only in their villages.

One of the largest wholesale vegetable bazaars in Peking is the Malento. It is located 2 km from the city. It has two large closed main buildings, each with an area of 3,200 m², 10 winter vegetable storehouses, each of 300 m², and other buildings. About 200 tons of vegetables are sold daily, for a total of 200,000 yuan.

One of the two main buildings sells vegetables only to dining rooms, organizations, and institutions, while the other also sells to retail merchants.

Vegetable prices in Peking's wholesale bazaars are not set independently, but regulated by the city trading administration.

The large courtyard of the bazaar is filled with hundreds of open and closed glazed-clay vats for the pickling of vegetables. Each of these vats holds from 150-200 kg. For the pickling of small amounts of vegetables for one family, small pots manufactured in a similar manner are sold.

In order to simplify the storing of vegetables, it has been proposed henceforth not to transport all the purchased vegetables to the city, but to keep a large amount of them where they are grown. The company can, without cost, allot building materials for the construction of vegetable storehouses to the kolhoz. The kolhoz will store the vegetables, also without cost, and release them according to need.

In many regions of the country, particularly in the south, cab-

bage is harvested 5 times a year. Therefore the need for the processing or lengthy storage of fresh vegetables is altogether absent throughout a large part of China's territory. In the southern regions of the country fresh vegetables are on sale the year round.

In general the storage of vegetables and fruit is organized along highly systematic lines.

Potatoes are kept in storehouses in baskets (of 40 kg) made of bamboo slats, and the baskets are stacked five high. Potatoes are sorted twice: once during the gathering, and again in the process of storing. In effect, the natural loss for the whole period of storage--from October through April--consists altogether of no more than 5%.

Cabbages and edible roots are not sorted in the process of storing.

Onions and garlic are stored together with dried stalks are piled in rows up to 1 m high.

Apples are stored in piles in strong baskets containing 40 kg each; six baskets are stacked on top of each other. During the harvest, apples are sorted on the spot in the orchard. Each fruit is wrapped in paper and placed in even rows in baskets. Dry rice husks are put between the rows. Apples are kept in this way without sorting from October to April; losses amount to no more than 3%.

Pears are put in storage when they have reached full ripeness. They are kept in baskets in the same manner as apples.

Tangerines are kept in crates (of 25 kg) in stacks seven boxes high. During the storage of tangerines--from October to May--losses amount up to 3.5%.

In the storage process, checks are made on the quality of the fruit.

Expenses for storing fruit amount to approximately two feng per kilogram (not taking into account the natural loss). Crates in which fruits are stored are not returned to the suppliers, but sold to the population or to organizations. The cost of the crate is included in the net price of the item.

Artificial freezing is used comparatively seldom in storing vegetables and other food items.

To the north of the Hwang Ho there is sufficient natural ice, but to the south of this river, in the cities of the districts, there is no ice. In cities with a population of over 500,000, artificial ice is always used.

For the whole of the country the capacity of the refrigeration plants is obviously insufficient. Peking, Shanghai, and a few other large cities have started to build up-to-date refrigeration plants only during the past year or two.

The Five-Year Plan devotes much attention to refrigeration, since losses from produce damaged as a result of a lack of ice are great. In some cases they have reached 100 million yuan a year.

The work of the Shanghai wholesale market for the poultry trade is interesting. This had been a private wholesale market, but it became a government undertaking in 1956. It is located on the Road of the Twenty Courtyards on the shores of the great Hwang P'u, and is very convenient for the delivery of goods via this river. Goods are stored in two large sheds having an area of 1,800 m².

The main items sold at the market are live hens, ducks, and geese, in addition to eggs and fruit. The assortment of goods on the market includes 170 varieties.

Poultry and other goods are in the main supplied by agricultural cooperatives, and to some extent by individual peasants. For visitors to the market grounds they have set up a room containing beds with covers and cushions, and a dining room.

Prices are regulated by the market administration in consultation with the sellers. Approximately 1,500 wholesale transactions are made each day. About 7,600 kg of fowl and 10,000 kg of eggs are sold each day, which represents around 70% of the whole commodity turnover of the market. About 70 people operate the market.

Shanghai has four other wholesale markets for the poultry trade, but they are somewhat smaller than the one described.

PUBLIC CATERING

Street Trade

Thousands of workers, employees, and students leave their homes every morning. Those who did not have a chance to breakfast can find everywhere a hawker selling a freshly prepared breakfast.

Public catering in the streets is so organized that all who so desire can get inexpensive hot food prepared on the spot in a few minutes--breakfast, dinner, or supper at any time of the day or night.

When workers on the morning shift, overcrowding the first street-cars, arrive in the factory district of Hunan (in the southern part of Shanghai), dawn has not yet broken, but already there are many hawkers on the street selling fresh bread, pastries, etc. For five feng, workers can buy food along the way and continue on their way to work. One can also breakfast at grocery counters; here they sell soybean milk, noodles, meat dumplings, bouillion, and other hot dishes. In the residential districts of the city, hawkers sell milk, bread, and fruit jams.

Trade with a tray occupies more than 18,000 hawkers in Shanghai alone. The majority of them do business in the morning, but some sell dinners and suppers. Prices for the dishes sold by hawkers are considerably lower than those in a restaurant, and the customer is served very quickly. The hawkers' services are used primarily by workers, by peasants coming to the city, by artisans, and by employees of small workshops and stores. One can frequently observe regular customers helping themselves to rice or selecting a dish, feeling themselves quite at home.

In the evening, after seven, the majority of the dining rooms are closed. The hawkers start to kindle their stoves at that time. During the night hours they serve night-shift workers and movie-and theatergoers returning home.

Even at very late hours the sound of clappers is frequently heard in the streets: it is a hawker engaged in his street trade. Meeting such a hawker, late passers-by squat down near the fire of the kindled stoves and sup on hot noodles or meat. The inhabitants make extensive use of hawkers selling hot tea in the streets.

A streetside eating place consists of a table with a small buf-fet-type bar mounted on a three-wheeled bicycle or set up against a wall. Here five to six people can be accommodated at the same time. On the trailer of such a bicycle or on a separate support is placed a small kettle in which meat bouillon is kept boiling all the time. When a patron seats himself at the table, meat dumplings or fish are dipped before his eyes into the bouillon. Within 2 minutes a tasty soup, seasoned with vegetables, is poured into a tureen. The menu differs, but all the dishes are always freshly made and cheap.

There are many such pocket-sized eating places located in different places. They open very early. Therefore many workers and employees do not breakfast at home but in such eating places on the way to work. After an afternoon break, these eating places open again at nine in the evening.

Dining Rooms

In public catering, just as in private, food is prepared according to the recipes of different cuisines: Peking, Kuantung, Shantung, Ssuehuan, Moslem, Buddhist, Shanghai, and others. The dish of one cuisine is characterized by excessive spiciness; that of another by great sweetness. The Moslem cuisine does not use pork at all, and dishes made according to the Buddhist cuisine are vegetarian ones only. Dishes of the Buddhist cuisine serve for dietary nutrition. Dishes made of garden produce-vegetables, bamboo, mushrooms, fruit--are substituted for meat or fish dishes; for example, smoked goose, fish in sauce, quenelles. They are so displayed that in outward appearance they actually resemble geese, fish, or meat.

The greatest share of public catering in China (70-80%) is that of small dining rooms whose serving personnel consists of two to three people. Some dining rooms function in closed-in premises; others operate directly on the street. A dining room serves 12-20 people simultaneously. The usual fare of such dining rooms consists of dumplings made of wheat meal and meat, soybean pancakes, noodles without soup, rice, meat dumplings, and two or three other plain dishes. The main part of the population can eat for a small sum in such dining rooms, both in large cities and in rural localities.

Most of the largest dining rooms are located in the cities. In Peking, not far from the "Peking Duck" Restaurant, on Siganadze Street, there is a city dining room seating 170. It has a serving staff of 51 people, among them eight cooks.

The assortment of various dishes on the menu amounts to more than 100. On one day this dining room serves 700 dinners. It is open from 6:00 to 8:00 a.m., and then from 10:30 a.m. to 8:00 p.m.

In the newly-built workers' quarters of the large cities, dining rooms of a new type have sprung up.

About 41,000 people live in one of these workers' quarters in Shanghai. To serve the local population there is a large variety store, a dining room, a hairdresser's, workshops for the chemical cleaning and repair of clothes and shoes, a bank, a post office, a club, hospital, school, vegetable market, and other necessary enterprises.

About 43 people work in the dining room, including 10 waiters, four counter personnel selling confectionery items, and two people in the section selling partly-prepared items. The dining room buys its provisions on the wholesale market. Working hours are from 7:00 a.m. to 1:00 p.m., and from 3:00 to 9:00 p.m. The dining room can seat 188.

There are 47 tables, each with four places. The dining room and the kitchen are kept clean. The tables are covered with white tablecloths, and the glasses on them are turned upside down. The waiters work with gauze masks covering mouth and nose. They receive the money from the customers and put it into cash registers.

The menu is diversified: 42 meat and 28 fish dishes. All the dishes with the exception of rice and noodles, are prepared individually as they are ordered, and this makes for great speed. The entrees (soup, cabbage soup) are as a rule served in small portions of 200-250 grams.

After the waiter has taken the order, he passes it on to the kitchen. There the raw products are put in different plates according to the recipe for the dish ordered and then given to the cook, who prepares the dish in an individual container.

There are variety stores, dining rooms, and other general services enterprises in all 20 of the newly-constructed workers' quarters of Shanghai. Peking also has such dining rooms.

Public catering is well organized in city parks and squares, where there generally are eating houses, buffets, or dining rooms.

In China many enterprises and institutions have dining rooms which come under the administration of their parent bodies. The latter take care of all expenses connected with dining rooms, including the wages of the entire personnel. In some of these dining rooms, special coupons have been introduced with a view to saving time. They consist of checks in different price ranges corresponding to the price of the dishes. Pay coupons are presented in advance by the diner directly at a distributing window, and he thus does not waste time paying at the cash register.

The messing of students is also organized in an interesting manner.

Peking University, which 12,000 students attend, has 11 dining rooms. Two of them serve European cuisine (for foreign students); one serves Moslem dishes; one Indian; six serve Chinese food; and one dining room which differs little from the students' dining rooms, is for the teachers. All these dining rooms belong to the University; there is self-service, and no plan for profits. However, if on occasion a small profit is made, it is used by the students for preparing free dishes on holidays.

More than 8,000 people can be fed in all 11 dining rooms at the same time, but this does not mean that one dining room can seat all eaters at the same time. In the six main dining rooms with Chinese cuisine only 20% of the diners sit at tables, while the remaining ones eat standing up. In the largest student dining room of the university, it was curious to observe thousands of students with gay, animated faces standing with bowls of rice in their hands, working the chopsticks rapidly. There is self-service in all the dining rooms. Food is handed out quickly; there are 21 serving windows in the largest

student dining room; dinner takes 10 to 15 minutes.

In the CPR there is no catering in the schools, since the character and program of the primary schools makes this unnecessary. The children eat breakfast before they leave for school. They can also have lunch or dinner at home during the long intermission, since it lasts one whole hour.

Also deserving of attention is the new method, presently not widely-distributed, of serving customers in house kitchens for general use.

In Shanghai there are 23 kitchen-dining rooms of this type. One of them, organized as early as 1945 by a private entrepreneur, is located on Liang-hsi Avenue. Currently this enterprise has been converted into a government-private undertaking. The former owner works as the director of this kitchen for a salary of 110 yuan a month; in addition to this sum, he receives 15 yuan for food and 5% of the capital invested by him per year. The enterprise is located in nice, large quarters consisting of a few rooms, and it has the appearance of a home dining room. Each inhabitant of the house can dine there, or receive three single meals regularly. One can bring guests to this dining room after prior arrangement, and celebrate any family festival.

The dining room also accepts orders for outside delivery. The price of the dishes themselves is not raised in such a case, but the expense of the bicyclist and jinrikisha there and back is added.

The dining room has a turnover of 6,000 yuan a month. During February of 1958, the clear profit amounted to 600 yuan, or 10% of the turnover. The price increase on produce was set at 30%.

The dining room has a staff of 12, including five cooks, two apprentices, two waiters, a maid, and a bookkeeper who works there part time. The head cook gets paid 84 yuan a month, the ordinary cooks get 64 yuan.

Besides house kitchen-dining rooms of a similar type, Shanghai has an additional 83 house kitchens which prepare and supply dinners only for the house.

Restaurants

Together with the large number of sidewalk food places and small dining rooms in the cities, China has many well-equipped restaurants. In Peking, the restaurant of the Peking Hotel occupies 800 m² of kitchen space and has a number of rooms with a general area of 3,000 m². In one room, the largest, 1,700 people can be served at one time. Approximately 300 people a day visit the place. Banquets are frequently arranged in the restaurant. About 80 cooks and 65 waiters work in the restaurant. The daily intake of the restaurant is 3,000 yuan, the profit amounts to 25%, and expenses are 17-20%.

This restaurant has two cuisines--Chinese and European. Service is very fast: as soon as a guest sits down at a table, a waitress comes

and writes up three copies of the order in a small note pad. The order indicates the dish and its price. The first copy of this order later serves as the bill, which the waitress gives to the customer for payment. She leaves the second copy in the kitchen when she fetches the order. The third remains in the note pad as a counterfoil.

Service for the guests of this restaurant consists in many pleasing details. There are no decanters with drinking water on the tables; however, if a guest wants water, the waiter quickly brings him a bottle containing cold water and ice and fills his glass. Before dessert, guests are given warm damp napkins for wiping the hands and face.

There are conveniently-located restaurants in the International Hotel in Peking, in the Shanghai hotels, and in other localities.

The "Peking Duck" Restaurant, in existence more than 100 years, is the most popular. Ducks are fattened for this restaurant outside the city with specially prepared feed consisting of cornmeal, grain, green beans, and other things. During fattening time, which continues for 110 to 112 days, the ducks should gain 2.5-3 kg., after which they are ready for eating. On regular days the restaurant needs up to 80 ducks, and on Sundays up to 160. As a rule, one duck is prepared for 10 people. The duck is not killed until it is ready to be prepared. The carcass is first lowered into hot water (60° C), for 7 to 10 minutes, then it is plucked with special tweezers to remove the quills. The duck is cleaned not by cutting it up, but by way of a small opening under the wing. Then the space between skin and carcass is inflated with air and the duck is again scalded, as a result of which the skin is stretched and becomes lean and crisp. Water is poured inside the duck, and the duck is roasted for 40 minutes in an oven. The water inside the duck boils, and the meat becomes especially tender. The oven, in which 18 ducks can be hung up at the same time, is heated with firewood from date or palm trees, which gives off very little smoke, does not have any unpleasant odors, and burns long and with a strong flame. This, it appears, is also important for making the duck very tasty.

The restaurant occupies premises consisting of 25 rooms; its area is 600 m². About 73 people are on the staff of the restaurant. On weekdays there are up to 350 guests, and on Sundays up to 700.

The culinary art of the "Peking Duck" Restaurant in Peking has received deserved fame.

Tea and Sour Milk Trade

Tea is the most widespread and popular drink in China. In city streets, on public highways, in gardens and parks, in theatres and circuses, in enterprises--everywhere tea is sold and drunk, mainly green tea, without sugar.

In a number of hotels guests are generally given thermos bottles filled with boiling water.

There are no cars with separate closed-off compartments on trains in China. A considerable number of cars have open compartments seating four people. Near each place there is a covered china mug and a package of tea. As soon as the train starts, conductors carrying tea pots go among the passengers pouring hot tea. This is done not only on long-distance trips; we were served tea on suburban trains. During the whole trip the conductors see to it that the passengers' mugs are kept filled with hot tea. Pouring tea, the conductors pass out books bound in strong covers to protect them. It is very quiet in the car; the passengers drink tea and read books.

In Suchou, at the circus, special receptacles are provided in front of each seat to accommodate glasses of tea. Glasses are filled while the acts are on, or during intermissions.

Tea, not wine or hors d'oeuvres, is also the main refreshment at weddings.

Tea is an indispensable refreshment during boat trips. Special small tables are set up on boats, and passengers bring their own thermos bottles filled with hot water.

Green and black tea is collected from the same bush, only the small leaves being plucked. Only green tea is dried, black tea being processed in a special way.

The gathering of tea leaves takes place 4 times a year--in April, May, June, and September. It continues for several days during each of these months.

In China, people are also very fond of another product--sour milk. It is sold in restaurants, stores, and on boats in small bottles with wide mouths, containing 200 grams. A convenient teaspoon with a long handle is sold for sour milk. In the "Peking" Restaurant sour milk is sold in small earthenware pots holding 200 grams, and wrapped in paper.

Ice Cream and Fruit Beverage Trade

The ice cream trade is extensively developed in China. Ice cream is being produced in a large assortment. Therefore there is a considerable difference in prices--from 3 to 50 feng for a 50-gram portion. The population is particularly fond of the most inexpensive ice cream--"frozen on a stick"--for from 3 to 5 feng a portion.

In Peking, besides five to six small enterprises, a large plant produces ice cream, fruit drinks, and confectionery goods. The "Factory of Foodstuffs" daily processes 41 tons of ice cream (more than 800,000 portions), 30,000 liters of fruit drinks, 3,600 liters of juices, and 80 tons of ice.

The most inexpensive ice cream, the "stick" type for 3 feng a portion, is prepared in three or four flavors: orange, lemon, banana, and others. There are no eggs among the ingredients, and in place of

sugar saccharin is used.

Ice cream on a stick for 5 feng a portion is prepared in three qualities: it is made with haws, milk, and small beans. This is the most widely-distributed kind of ice cream. For 500 kg of ice cream, this is the recipe: 35 kg dry milk, 50 kg eggs, 50 kg sugar, 75 kg saccharin, 7.5 kg farina, a few spices, and water.

Ice cream for 10 feng a portion is made in two qualities using milk and cocoa; that for 20 feng in one quality using milk and eggs; for 30 feng in one quality using milk eggs, and cream. Ice cream for 50 feng (for banquets) is made in one quality using milk, eggs, cream, and different fruit fillings.

There are more than 10 different types of fruit beverages, and some of them are exported. A part of the beverages is prepared with natural juices (tangerines, for instance); others (orange, apple) are prepared with essences. The beverages are bottled in 200-gram containers, i.e., one-glass portions. This is very convenient.

Ice cream and fruit beverages keep even in the warmest periods of the year. In the stores these items are kept in small tubs filled with ice. Hawkers keep ice cream in thermos containers without ice and attract customers with loud cries. A hawker trading in beverages displays the bottles hanging neck down from wire supports. This display of varicolored bottles can be seen from afar and serves in its own fashion as advertising. Beverages are consumed to a large extent not from glasses, but from the bottle with the help of a long paper straw.

Almost no ice cream is sold in the winter; therefore the plant producing it does not stay open. The small needs of a few restaurants are satisfied by making it on the premises.

Previously the factory laid off workers employed in ice cream making during the winter months. This created great difficulties, since it interfered with keeping the cadres intact. Later a shop for confectionery items was organized, which operates only in the winter. It uses the workers laid off from the ice cream factories. In this way the productive forces of the plant have been utilized more effectively.

However, the plant provides only 10% of the necessary ice, for the city uses primarily natural ice.

RETAIL TRADE

The Food Trade in Markets

Market trade in vegetables, fruit, fish, eggs, and other food products is extensively developed in China. The number of markets has increased considerably, particularly after the opening in September 1956 of free markets for the sale of agricultural products, products of subsidiary industries, and different goods locally produced. Up to that time the government had exercised strict control over markets and had limited the buying and selling of goods by private traders. At present, though, there exist government-private variety stores, cooperative groups organized by small buyers, and individual small traders. There are no longer any capitalist trading enterprises in the markets.

There are 308 retail food markets in Shanghai's 15 districts.

The retail market for agricultural and other products, located in Shanghai on Hua-Sa Road, has 600 trading booths. In winter one side of the booths is reinforced with sheet zinc to protect vendors and goods from rain and wind. About 700 people work in the market, of which 30 are members of the market administration.

Goods are displayed on the counters, eggs, vegetables, meat, fish, beans, etc., being separately displayed. The market is very clean and many vendors work in aprons.

This market, as well as others, sells many semi-finished goods. The vendors select--in accordance with a certain recipe--the peeled and washed raw ingredients necessary, placing them on plates. Customers who buy dishes thus prepared need only to boil or fry them.

The hawkers also completely process the various goods. They clean hens and fish, and pickle vegetables. Hens are sold not only plucked but also live, in the latter case by live weight. Processed items and other goods can be delivered to the home, if the customer requests it.

The market is open from 5 to 10 in the morning. After dinner the market workers prepare goods for the following day, clean fish, and vegetables, and do other chores. We visited this market around 9 a.m.: there were few buyers, but many products were already available. The ice supply for the market is entirely sufficient.

The market is visited daily by up to 20,000 customers, most of them workers from factories and plants located close to the market. A considerable part of the goods is bought by public catering enterprises.

On the average the market sells 20 tons of vegetables, 4 tons of fish, 3 tons of meat and eggs, and 4 tons of beans a day.

The goods on this market are received from a wholesale market; they are also purchased directly from agricultural organizations and from private persons. The difference between the wholesale and retail price amounts to 12-15%.

The vendors who work in the market cooperate in a group and assume collective responsibility for profit and loss. The vendors are paid on a progressive and periodical basis. The cooperating groups have a 10% deduction fund from profits for aid to sick market workers, needy hawkers with many children, and vendors during slack periods so that the existing staff of workers may remain intact.

This market serves one of Shanghai's 15 districts. This district has 12 more small markets in which altogether 2,000 people work. According to its size, this district can be regarded as an average Shanghai district, but there are much larger districts, where markets are bigger. Shanghai has some specialized markets, e.g., those trading in chicken and duck eggs.

Peking also has many food and vegetable bazaars which are notable for their good equipment. As a rule, these bazaars have counter basins faced on all sides with white glazed tiles, and submerged water inlets and outlets. A variegated assortment of live fish, crawfish, and turtles is always kept in fresh water, which is frequently changed. Over each counter basin an electric light is rigged up; provided for the convenience of the vendor, it is suspended from the ceiling by a cord.

One of those bazaars, on Tung-chantse Street, is located in an enclosed structure with an area of about 4,000 m². It is equipped with eight U-shaped, sharp-cornered counter basins; the dimensions of each are about 13 by 5 meters.

Differently constructed counters are used for displaying vegetables: they are three-tiered. These counters are also lined with glazed tiles. The counters for fowl, ducks, and pigeons are flat and have a 5-7° slope for the drainage of water. The vendor frequently pours fresh water from a faucet over the goods.

Eggs are as a rule sold by weight. With a small scoop for the goods, the scales are like our spring balances.

This market sells all kinds of fresh and live fish, fowl, ducks, crawfish, turtles, chicken and duck eggs, pork, different smoked foods, semi-processed dishes, different sorts of cabbage, beets, onions, cucumbers, carrots, egg plants, garlic, apricots, strawberries, cherries, and other products.

The Chaolin food bazaar in Peking occupies two pavilions, each with an area of 1,100 m².

The market is open from 5:30 a.m. to 7:30 p.m. The main body of buyers comes during the first 2 hours after opening. At 9 a.m., when we arrived at that market, there were only a very few people, but already many goods were available.

About 30 tons of vegetables of every type, 4 tons of fish, 1.5 tons of meat, 350 kg of fowl, and 8,000 kg of eggs are sold in this

bazaar each day.

Live turtles and eels are dressed on the spot for the customers, since not every homemaker is able to do this.

About 159 vendors and nine administrative workers work at the market. The daily commodity turnover is 13,000 yuan, and 2,000-3,000 people visit it every day.

Individual wholesale trade is carried on at this market. Such trade provides public organizations with products at retail prices, with delivery at the expense of the store. The daily volume of wholesale trade constitutes one half of the market's commodity turnover.

The delivery of goods from the market for both wholesale and retail trade is carried out with jinrikishas or bicycles. This type of transportation is well suited for small-scale hauling.

Prices

There are no uniform government retail prices in China. For example, shoes of the same type and quality are sold for one price in Canton, for another in Shanghai, and for yet another in Peking.

Such a situation is explained by the fact that in the main, retail prices are based on the price levels in existence in 1953, which were different in different cities.

This difference is in turn explained by the irregular number of trade workers in groups, the different levels of their wages, the unequal transportation rates and other expenses which must also be taken into account.

In connection with this, the First Ministry of Trade does not approve retail prices, but only the mark-ups for 395 representative groups of goods, differentiating them according to 40 cities and industrial centers. Thus, for example, the mark-up for cotton fabrics is fixed at 7 to 12% of the wholesale price.

In provinces and cities, the local organs and people's committees entrusted with the approval of retail prices guide the setting of mark-ups for a given province or city and approve the retail prices for all goods.

Here is an example of the structure of wholesale and retail prices. The wholesale price is figured on the basis of the industrial purchase price, wholesale trading costs, and profit. The retail price is the sum of the wholesale cost, the costs of handling in retail trade, turnover, and profit.

According to the practice of the Second Ministry of Trade, fixed prices are determined for grain products in conformity with the fixed price for bread in such a manner as not to allow for unnecessary personal interests in the preparation of any one crop at the expense of the production and preparation of grain.

The fixed prices for such crops as cannot affect or displace the sowing of grain crops (bamboo shoots, mushrooms, and others) are set somewhat higher than in the case of bread.

The prices on China's free markets are also set differently. For instance, in Peking, market prices are regulated by the city trade administration and it is not possible to raise the set rate. However, in Shanghai prices are not regulated but set freely in relation to demand and supply. Such different approaches to the regulation of free-market prices in the various cities are explained by the fact that consumer demands in these cities are satisfied by the quantity of the different goods delivered. The regulation has as its aim not to allow a large gap between government and retail prices, and to avert speculation.

Retail prices in Shanghai, where they are not regulated, are only a little higher than government prices--10% on the average. (For example, the government price for 500 grams of eggs is 50 feng; the market price, 53 feng.) Such an insignificant difference bears witness to the relatively sufficient quantity of the products in markets and stores.

Shanghai's city trade administration, however, conducts constant surveillance over market price fluctuations and exerts an indirect influence on them. Thus, for example, when the prices of some goods on the free market are considerably higher than government prices, the administration either supplies the government stores with more of these goods or fixes the maximum price for the market. If some products are in short supply, they are distributed to different trading points so that they will not be concentrated in one place. Explanatory work is conducted with vendors in the free markets, and price levels are coordinated.

Administrative penalties are imposed on speculators.

On the free markets the buying and selling of agricultural and subsidiary industrial products takes place under certain limitations. The government distributes the products of agriculture and its subsidiary industries according to three groupings.

In the first group are goods which are bought on government and centralized orders, including grain, cotton, and olives. For these goods the government gives agricultural production cooperatives and individual peasants fixed quotas for the amounts which the state will buy, and only after carrying out these obligations do they have the right to sell them freely on the market.

To the second group of goods belong those bought on centralized orders by government trading organizations and by supply-sales cooperatives commissioned by them according to prior orders, on the basis of contracting, or simply over the counter. To these goods belong pork, cattle, sugar cane, tung oil, tobacco, tea, unrefined sugar, silk, cocoons, wool, flax, hides, paper made by home industry, scrap metal, basic wood products (in forestry districts), important medicinal herbs, and others. Only those companies, stores, organizations, plants, factories, pits, and mines which have a proper commission from the government can buy these goods on the market.

To the third group belong products and articles locally produced:

fowl, ducks, fish, eggs, vegetables, fresh and dried fruit, bamboo items, furniture, medicinal herbs, etc. Goods in the third category constitute approximately one fourth of all agricultural and subsidiary industry products. Only such products and items are put on the free market as the agricultural cooperatives and individual peasants can independently produce and sell.

Government trading organizations, government-private stores, cooperative groups, small traders, and hawkers can freely partake in the buying and selling of this group of goods on the market. Any production organization can purchase raw materials on the free market, and public catering enterprises can purchase produce.

Trade in Shanghai

Shanghai, the industrial, economic and trade center of China, is the largest and youngest of the country's big cities. With its properly planned streets and large number of nice houses this city-port resembles Leningrad in many respects, particularly when one views it from the 17th floor of the "Shanghai" Hotel. The city is intersected by the large waterway of the Hwang Pu, which flows into the Yellow Sea. The Sudzhou River flows into the Hwang Pu, traversing the city from another direction.

Great changes have taken place in the city in the years since the liberation of China. We were shown a nice tree-bordered boulevard provided with resting benches. Along this boulevard new houses have been built. But in photographs taken in 1956 the same street looks like a long, dirty ditch along which stretch structures resembling huts. One identifies Hwang Pu park, spread out along the bank of the river. Until the liberation, its entrance displayed the sign "Chinamen and dogs forbidden to enter". And one also identifies a series of bridges over which foreigners could pass free of charge while Chinese had to pay. Today all this belongs to the people. The city is building up and is comfortable. In a very short period of time the remarkable Palace of Soviet-Chinese friendship sprang up, and the dog-race grounds have been converted into a Place for Culture, with a half-open theater for an audience of 13,000, etc.

Shanghai is a city of lively trade.

The administration of trade is controlled by a number of establishments: the first administration, conducting retail trade in industrial goods; the second administration, conducting wholesale trade in industrial goods; the administration of public catering; the administration of foreign trade (export-import operations); the administration of supply; and others.

Shanghai has a large number of stores, stalls, booths, every kind of workshop for general services for the population, eating houses, sidewalk dining establishments, and others more. Shanghai has 40 markets for the sale of industrial goods, and 308 food-vegetable markets.

Everywhere there is a great selection of goods.

The majority of the stores dealing in industrial goods are specialized. There are stores for the cloth trade, hats, shoes, suitcases, men's shirts, women's underthings, etc.

There are particularly many stores specializing in the shoe trade. On some streets literally every second or third house has such a store. Food stores are specialized to a somewhat lesser extent.

The showcases of the stores here are decorated with greater taste than is the case in other cities, there is better goods display, and they have the most perfect commercial equipment. The street advertising looks interesting. On the main commercial thoroughfares--Nanking Road and Huai-Hai Road--there are magnificent stores.

Advertising in Shanghai is handled primarily by an advertising company subordinated to the city trade administration. Fourteen shops in which 417 people work are under the control of this company. This company makes its services available to 88 other cities of the country. Large advertising signs measuring about 7 x 3 meters are regarded here as one of the most effective approaches. These signs are set up 1 m off the ground; they can easily be seen and taken care of (periodical recoloring of worn spots, etc.). Without taking the sign down, the artist, standing on a short ladder, makes the necessary restoration. There are 280 of these signs in the city. They also utilize radio, journals, newspapers, movies, theaters, and others for advertising.

Alongside the large modern stores with their first-class equipment and attractive layouts there also exist in Shanghai diverse extremely primitive forms of trade, including that of hawkers carrying trays.

On the whole, Shanghai has more than 132,000 trading enterprises, in which 390,000 people work. Among this total are 39,000 stores (14,500 food stores and 24,500 places selling industrial goods), 19,500 public catering enterprises, and 8,500 general services enterprises. Hawkers constitute a large group (around 65,000). The economic sectors are represented in the following manner among the enterprises: the government sector makes up 1.2%, the government-private sector 93.4%, the cooperative sector 0.4%, and the private sector 5%.

Each worker in Shanghai's trading enterprises serves 16 inhabitants, each worker employed in public catering serves 105 inhabitants, and each worker in the general services enterprises serves 130 inhabitants. Both these data and personal observations attest to the fact that such a correlation basically ensures adequate service for the population of such a large city as Shanghai.

The Shanghai department store, in area the largest in China, occupies five floors in a 10-story building. Its over-all area is 25,400 m², of which the salesrooms take up 16,000 m², storage occupies 6,000 m², and administration and other service premises take up 3,400 m².

About 2,013 people work in the department store, including 1,609 salespeople. The department store is open from 8:30 a.m. to 8:30 p.m.

without a break for lunch and without rest days. The employees of the department store work in two shifts: there is one first and two second shifts.

On an ordinary day, 90,000-100,000 people visit the department store, and up to 200,000 on Sundays.

There are more than 40,000 types of goods in the store's assortment. There are up to 1,000 types of cotton fabrics alone.

The daily commodity turnover is 130,000-150,000 yuan. The commodity turnover plan for 1957 was set for a total of 55.5 million yuan. Operational expenses constitute 5.85% of the commodity turnover, or 3.24 million yuan; general profit 15%, and clear profit 5.95%, or 3.3 million yuan (9.15% of the general profit is applied to the payment of operational expenses and to tax payments to the government). Resources are replenished 3.06 times a year, and goods remnants amount to 16.4 million yuan.

The department store administration is headed by a director and a political-department assistant. The latter is responsible for the cadre sections, the training of cadres, work and wages, and the guarding of the buildings.

The department store administration consists of trade, economic, technical, inspection, and planning departments; a supply and transportation department; and a secretariat.

Each floor has its own trade department which supervises all the sections located on that floor.

There are 26 goods sections in the whole department store. The layout and distribution of the goods sections can be seen in the diagrams [please see the original book]. The sections are placed in the following manner on the various floors:

--in the basement: bicycles, suitcases, sporting goods, electrical goods, metal items for the home, furniture;

--on the first floor: bed linen and women's underwear, men's shirts, socks, sanitary items, fruit, sweets;

--on the second floor: hats, children's clothes, toys, office equipment, raincoats, china and earthenware items; a restroom for mothers and children, a restroom for shoppers;

--on the third floor: cotton and silk fabrics, men's and women's woolen underwear;

--on the fourth floor: objets d'art, photographic equipment, musical instruments, woolen fabrics, shoes, ready-made clothes (individual orders for the sewing of street clothes are also accepted on this floor).

Shoppers are conveyed from floor to floor by escalators and elevators.

The department store is well equipped. All counters and shelves are made of glass, and the salesrooms are convenient for shopping. On the sales personnel's side the counters are closed with frosted glass, as a result of which the customers can look over the goods particularly

well. Inside the counters are two glass shelves whose height can be adjusted. The outside of the counters is covered with smooth, plain glass. This type of counter is very convenient for the shoppers, since the goods displayed can be easily seen.

Large tables for measuring fabrics are also covered with glass, under which samples of fabrics are displayed.

The total length of counters in the store is 2,540 m.

In the fabric department there is a large two-sided sign 11 m long and 2 m high. Pieces of different fabrics are attached on both sides of the sign. Two cut-out figures of women slowly move along the sign, covering up first one, then another, piece of fabric.

Advertising also calls attention to toys, jewelry, and other goods.

Shanghai's second-largest department store is the government-private department store of the "Yunan" trading company. This is a well-equipped store with a rich assortment of goods of high quality (more than 33,000 types). It is visited by up to 70,000 shoppers a day. The head of the government-private company is its former owner.

The "Children's World" department store occupies a five-story edifice in which three floors are occupied by salesrooms, and two by storage rooms and other servicing quarters. The total area of the whole building is 3,100 m². The store is equipped with a room for mothers and children.

The goods assortment consists of 5,000 types. The daily commodity turnover amounts to 43,000 yuan.

On a weekday the department store is visited by 10,000 shoppers, and on holidays by 25,000. The service personnel of the store consists of 280 people, including 200 salespeople.

Shanghai has many specialized stores with a rich assortment of clothes.

On the whole it can be said that China's population dresses very simply. Girls and women of all ages primarily wear either trousers and blouses with buttoned collars, or robes with a slit on each side. They wear no decollete dresses and jackets. Many men and women wear short trousers, with blouses tucked under the belt or worn loose outside the trousers. Boys and girls of school age wear mostly shorts. As a rule, the clothes worn by all are clean, pressed, and in good repair. Chinese stores have a very large assortment of these types of clothes and of fabrics for them. In addition to these everyday clothes, much more elegant and diverse clothes of every kind are on sale.

The government clothing store on Nanking Road, the largest in Shanghai, is deservedly regarded as the best in China with respect to the making and sale of various clothes: ladies' dresses, gowns, jackets, overcoats, men's suits and overcoats, shirts, and knitted wear. Clothes are made of wool and cotton fabrics, silk and linen, and other fabrics. The assortment of different clothes consists of around 2,000

types. The monthly commodity turnover is 600,000 yuan.

In the store, which occupies the first floor (with an area of 2,000 m²) of a large multi-story building, the layout is well planned, attractive, and convenient for the display of goods under natural light. About 324 people serve the store, among them 148 sales personnel.

To the store belongs a sewing plant, which fills individual orders for clothes. In addition, there is another plant which makes ready-made clothes.

Besides ready-made dresses, the store sells patterns for suits and dresses. Private orders are accepted, using either the store's fabrics or fabrics supplied by the customer. The time for completing an order is one to 2 weeks. A specialist sews a suit in 48 hours, a dress in 30 hours. The price for work in this store is only a little higher than in other establishments, but the quality of the work is better.

In the specialized store for elegant ladies' apparel on Huai-Hai Road, the biggest in the city, there is such a wealth and variety of assorted clothes and other toiletry articles (4,800 types) that the buyer can literally outfit herself from head to foot in the store.

The store occupies an area of 1,140 m² on the first floor of a multi-story building; 285 people work in it, among them 234 salesladies.

The store has 13 goods sections: wool, silk, European-type clothes, Chinese clothes, shoes, hats, underthings, jewelry, and others.

About 20,000 customers visit the store daily. The monthly commodity turnover ranges from 20,000 to 500,000 yuan.

In addition to those described above, some other commercial enterprises in Shanghai also attract attention: those which trade in food, medicines, books, and home-industry items.

The largest food store in China is on Nanking Road. It resembles our large delicatessen stores. It occupies an area of 2,700 m² on the first floor of a multi-story building. The store contains a large assortment of goods, many fresh fish, sausages, hams, confectionery items, different semi-processed goods, fruit beverages, etc. A sizeable part of the counters are refrigerated. About 900 people work in the store. The yearly commodity turnover is 1,200,000 yuan.

A large drug store for Chinese medicines occupies an area of around 2,500 m². It is equipped with good wall shelves and counters.

On Nanking Road is China's largest bookstore, occupying an area of 2,500 m² for the salesrooms alone. About 140 people work in the store. Also well equipped is another store, the "International Book." There are many specialized stores in the city. Books are sold not only in stores, but also in markets and bazaars, where there are large specialized sections for trade books.

There are streets in Shanghai along which a series of bookstalls have been put up by hawkers. Here one can find old or contemporary Chinese and foreign works, and also children's books with stories and

pictures. These books are not for sale, but are rented for a price corresponding to the time taken to read them. Shanghai has more than 2,000 hawkers occupied with loaning books for reading. Around the bookstalls there are tables and chairs which readers can use to read in comfort for 1-2 feng; books can be taken home after paying a certain deposit.

Shanghai has many commercial enterprises which sell jewelry, handicraft wares, and artistic items.

Among the three stores best known for size, equipment, and assortment, the jewelry store belonging to the government jewelry plant is particularly distinguished.

Displays of items are almost completely absent here. The items put on display in two small showcases at the end of the long counters and in one isolated place at the end of the store do not represent the whole assortment produced by the plant, but only give an idea of the nature of the items. The store's salespeople, who sit behind the counters, have a much more extensive assortment in packages kept in sliding drawers, which they show to buyers on request. The store makes 500-700 sales daily.

Besides selling ready-made items, the store accepts individual orders for gold items without stones, with a delivery time of from 2 weeks to one month. Orders are accepted from material supplied by the customer--old or broken gold items. The store gets up to 50 such orders a day.

The store not only sells gold items, it also exchanges them for old things made of gold. The buyer pays only the cost of the work, the cost of the gold being deducted. If the gold provided by the customer is more than that contained in the item bought, the store pays the difference in weight according to the gold price fixed by the People's Bank. Such exchanges occur up to 40 times a day.

The salesmen themselves receive the money for all items sold. Ready-made items of a mass stable assortment are wrapped in paper packages (7 x 5 cm) on which the following information is printed: name of the government jewelry store, name of the item and the metal of which it is made, carat fineness of the gold, price for one lya of gold (a lya is the uniform measure for precious metals in China, being equal to 31.25 grams), cost of the item, and the address of the store. Handing over the items in such packages, the salesman writes up no bills, but puts the store's stamp on the package. In this way the wrapper serves the buyer as a document on the basis of which he can, if necessary, present a claim.

Items made of gold of a non-standard character are packed in packages with different dimensions (8 x 8 cm). This type of package has a perforated flap, which the salesman tears off after the sale and retains. The prices already being noted on them, the store's items are placed in these packages; the store does not have to do any weighing.

Weighing and the determination of the price for an item is done in the sales department of the plant.

In Shanghai a bazaar of old objets d'art is located on Kangtung Road; it is a trading enterprise resembling our arcades. Earlier, 52 private stores operated in this place. They are now consolidated into one large, well-equipped government-private store, though the name "bazaar", preserved from old times, is now no longer appropriate.

Here antiques and new objets d'art are sold. Some old things are thousand-year old antiques. There is a department selling all kinds of banknotes. About 50 craftsmen fill individual orders for this store. In addition, representatives from the store, traversing the country, also place orders in other cities. The assortment of different kinds of goods amounts to more than 1,000 types. About 68 salesmen work in the store.

Three groups of specialists fix the retail prices for the antiques bought up from the population. These prices are final and are not subject to approval from other echelons.

The Ch'anghua bazaar in the temple is an interesting trading enterprise. Shanghai was founded 400 years ago on the spot where the bazaar stands. A temple was built there which has been preserved to this day. Therefore the market is called "bazaar of the temple," though it would be more correct to say "around the temple."

Over an area of 5 hectares are situated 547 different trading enterprises: shops, stalls, and others more serviced by 1,500 vendors. Besides, 350 itinerant hawkers trade in the bazaar, as do 400 handicraftsmen.

One part of the trading enterprise is government-private, the other is combined into cooperating groups.

Many stores (almost one fourth) engage not only in retail trading, but also in wholesale trading for hawkers. Hawkers pay no tax for space, but the store owners must pay this tax. Market activities are conducted by an administration and a selected committee made up of 10 people.

The assortment of industrial goods on the market consists of more than 6,000 types, among them around 2,500 items manufactured by hand. The commodity turnover reaches 2 million yuan a month; from this total, 1 million yuan are put into a common fund.

Besides the 400 handicraftsmen-traders who sell articles from their home production, 64 different trades supply goods for the bazaar.

Prices at this bazaar are somewhat lower than in other places, which attracts the majority of buyers.

The bazaar is open from 8:30 a.m. to 6 p.m. When the day's trading has ended, the hawkers usually do not cart their goods home, but leave them in the stalls. Just two people guard such a large area; there are almost no cases of pilfering.

The bazaar workers and visitors are served by nine large and more than 40 small dining facilities of the cafeteria type located right at the market. The bazaar is clean; the vendors themselves

assure that conditions remain sanitary.

Trade in Peking

Peking, the capital of China, is the second largest city in China. It has a population of 4.14 million people.

The city has many old architectural monuments, courts, and towers. The Great Wall of China, built 2,000 years ago, passes by 60 km from the city.

The majority of houses in Peking have one or two floors. The lateral streets are very narrow, frequently having a width of from 4-5 m. This is essentially the old Peking, which has a 2,000-year-old history.

Many new three-and four-story houses have been built in the city, particularly in the western part. When we went to that district, we seemed to step into Moscow's Cheremush district.

Peking cedes little to Shanghai as concerns number of trading enterprises and all types of public services shops. Considerable attention is devoted to the advertising of different goods, which is organized approximately as in Shanghai.

On the whole, Peking has around 38,000 commercial enterprises, among them 4,700 public catering enterprises and 2,900 general services enterprises. Besides, 244 government wholesale stores are active in the city.

The over-all number of workers occupied in the city's commercial enterprises, including public catering enterprises, is greater than 163,000.

There are 58 markets in the city, among them 29 for the sale of food and vegetables, four for trade in industrial goods, and the remainder for trade in second-hand articles.

One of China's four largest department stores was built in Peking in 1955.

The department store occupies an area of 20,000 m². Salesrooms are spread over three floors, and there are subsidiary premises on the fourth floor and on part of the fifth and sixth. The lay-out and distribution of the trading sections is shown on pages 64-65 [of the original book]. The over-all counter length is 1,275 m, the height of a counter is 95 cm.

About 1,798 people work for the department store, including 1,017 salespeople.

For 1957, the commodity turnover was 57 million yuan. Operational expenses represented 4.66% of the turnover, clear profit amounted to 6.3%.

The assortment of goods consists of 20,000 different types.

The department store is visited daily by 60,000-70,000 people, and by up to 150,000 on Sunday.

The department store includes two service shops with a working staff of 300 people each. One of the shops sews items from pure fabrics,

the second works with semi-processed fabrics. The price for making a man's wool suit ranges from 26 to 30 yuan, the cost of ready-made wear is 88-140 yuan, and the price for sewing semi-processed fabrics ranges from 17 to 20 yuan. The time it takes to complete a suit is from 15 to 19 days, but if the customer needs the suit sooner, it is sewn in from 2 to 3 days. Semi-processed fabrics are worked up in from 3 to 5 days.

Recently, six district variety stores were built in Peking, one of which we inspected.

This kind of store represents in itself a complex of enterprises for serving the population. It is located within one area in several one-story buildings; the over-all area of all the enterprises is 8,000 m². Several components make up this complex. The industrial-goods store occupies a building with an area of 2,700 m²; 97 salespeople work in it. A store for trade in secondary food items--meat, fish, pork, vegetables (all grains are considered as primary food items)--has been set up in a building with an area of 800 m².

About 50 dressmakers work in the sewing shop (with an area of 600 m²). In addition to orders for sewing new things, orders are accepted for all kinds of alterations, these being filled in a week.

This variety district store includes, in addition, a shoe repair shop, a warehouse for industrial goods, a book department, hairdressing salon, photographer, a drugstore for Chinese medicines, a post office, a branch bank, first-aid station, and dining room.

The dining room occupies a separate building with an area of 1,000 m². It has dining rooms for Chinese and European cuisine; on the whole, it has a seating capacity of 350. In addition to the public rooms there are also nine separate rooms for family or holiday gatherings. Forty-two people are on the staff of this dining room. The menu contains a number of first-class and 200 second-class dishes.

Peking has a number of large bazaars for industrial goods and variety goods; there are large assortments of items.

The T'ung-Ssu people's market of consumer goods occupies four large wooden one-story buildings with a total area of about 4,100 m². Various government and reorganized private organizations trade there.

As a rule, there is a dining room or hairdresser at each market or bazaar.

The Shiht'ang bazaar, spread over five buildings, contains a large book department occupying an approximate area of 500 m².

The book trade is extensively developed in Peking, just as it is in Shanghai. There are many large stores, and a number of them are specialized ones. The "International Book" store is equipped with wall shelves at which visitors can freely browse. The salespeople essentially function as consultants, helping the buyers in making selections. After selecting a book, the buyer takes it to the counter for wrapping, where he also pays.

The best jewelry store in China is located in Peking. It is not

only the best in China: with respect to the size of the store and the assortment of items, we did not see such trading enterprises in either France, Italy, or Czechoslovakia.

Previously this store formed an arcade in itself, in which around 300 private traders had booths. Today it is a reorganized government-private store.

About 420 people work in the store, including 75 salespeople. The store's staff includes 100 buyers who travel throughout the whole country to buy needed items, storemen, and repairmen. In addition, special workers are engaged in wholesale trade, since this store performs the function of a commission company of the Ministry of Foreign Trade for the export of goods produced locally. The store is headed by a director, who is the representative of the government segment; his four deputies represent the private capitalists.

The area of the salesrooms alone is 1,300 m². The store is well equipped, all counters are made of glass, and goods can be easily viewed. Many items, among them brooches, rings, earrings, are displayed on wall-type glass shelves in individual silk-lined trays.

The goods assortment of this store is very large: there is a great selection of all kinds of items with diamonds, rubies (synthetic ones), and other stones; a well-selected assortment of artistic handicraft items of stone, wood, china, silk. There are many decorative objects--figurines, statues, silk flowers, wax fruit, and others more.

Trade in Hangchow and Suchow

The organization of trade in the provincial center of Hangchow (population 650,000) is interesting, since the type characteristic of China's large cities resembles that of our own provincial centers.

Hangchow, one of the most beautiful and ancient cities of China, has existed for more than 2,000 years. "In the heavens there is paradise, but on earth we have Hangchow and Suchow"--that is how in olden times the people extolled these cities.

Hangchow is situated on the shores of picturesque Lake Suhi, and is surrounded on three sides by a mountain range. The environs of the city abound in sights and monuments of days gone by, such as Tiger Spring, Dragon Well, the Cave of the Yellow Dragon, Nephrite Spring, and the Temple of Refuge for Souls. In this the city resembles our southern cities of Sochi and Yalta.

The development of trade and the level of services for the population in the provincial center differ little from services in such cities as Peking and Shanghai.

The city trade administration is headed by an administration chief and his three deputies, one of whom supervises government enterprises, the second government-private trading, and the third the hawkers' trade and free markets. The trade administration guides 16 com-

panies, of which eight have to do with the trading system, and eight with the general service system.

There are 14,000 commercial enterprises with a total of more than 30,000 workers in the city.

Hangchow has one of the largest department stores in China. This store occupies an area of 4,600 m², 1,600 m² being used for the sales-rooms. About 400 people work in this department store. It has two branches: one for children's goods, the other for cotton fabrics.

The assortment of the department store consists of 15,000 types. The commodity turnover is 1 million yuan a month. On the average, 20,000 people visit the department store daily.

Not long ago this department store introduced the method of paying for goods without the use of tickets, using control coupons instead, which we discussed earlier.

Hangchow has an extensive network of wholesale enterprises: there are 39 government stores and 16 free specialized markets, of which nine sell food products and vegetables, two sea food, one small cattle, two fruit. There is also one variety market and one for industrial goods.

Prices on the free market are approximately the same as prices in government stores, perhaps a little higher.

The nine wholesale markets dealing in food and vegetables sell the following in one month: 2,700 tons of vegetables, 225 tons of eggs, 400,000 fowls, 12,000 pigs, and 755 tons of fish.

Retail markets (there are 29) trade primarily in food products.

The city of Suchow is a somewhat smaller provincial city; its population is around 500,000. However, trade there is no less lively than in other much larger cities. The city has more than 11,000 enterprises of trade, public catering, and general services. There is one enterprise for every 44 inhabitants of the city, and for each 18 inhabitants there is one trade, public-catering, or general-services worker. Services for the population are well organized, there are no queues either in stores or in shops. In addition to large stores, there are many hawkers in the city. Their number increases constantly (goods worth 134 million yuan were sold in 1957 by hawkers).

Of interest among the commercial enterprises in the city is a large people's variety bazaar with a goods assortment of 12,000 types. This bazaar is spread out over a two-story building with an area of around 5,000 m².

Handicraft industry is strongly developed in the city; 36,000 handicraftsmen have been united in 362 cooperatives.

CONCLUSION

In conclusion it is necessary to say something about the attitude in China toward the Soviet Union. The Chinese people have a feeling of deep respect and love for the Soviet people. We ourselves experienced everywhere this wonderful attitude. We were regarded as representatives of the country which was the first to show mankind the road to a happy life.

During our visits to production and trading enterprises the workers gave us a warm welcome; happy faces and applause greeted our arrival. We were addressed with words of great friendship and respect.

It was difficult to suppress our emotions when the workers of one enterprise greeted us with a musical radio broadcast; when, in leaving, all the shop workers stood and sang us a friendly song. This must be experienced to be able to understand what love the Chinese people showed us.

The Chinese comrades pay great attention to the study of the successes of the Soviet Union in the building of socialism and the achievements of advanced science and technology. In connection with this, much attention is paid to the study of the Russian language.

In the higher educational institutions of China the Russian language is a required subject. It is also studied in many secondary schools and technical schools.

Special Russian-language institutes have been set up in seven cities. In Peking, 6,000 students study in the Russian Language Institute. Here 80 night schools for the Russian language have been opened, in which 15,000 people are studying. About 7,000 people are being taught Russian in courses set up by enterprises and institutions.

Russian is also taught by radio and correspondence courses.

In Peking, Tientsin, and other cities some students have a long way to go to work (25 km), but neither wind, nor rain--nothing keeps them from attending the courses.

During the past 8 years, more than 12,400 different Soviet books have been translated into Chinese, with printings of 191 million copies. Also, 405 Soviet films have been dubbed and shown in movie houses.

About 6,000 Chinese students have been sent from China to the USSR for studies.

During our stay in the CPR many meetings and dinners were arranged with leading workers of the Ministry of Trade and of city services, and with the workers of department stores, large stores, markets, and industrial enterprises. We were given attention everywhere: the people readily shared their experiences and aided us in our task, and in this book we should like to thank our Chinese comrades for this.